

\* Previous Balance Method

$$\text{prev. bal} \times \text{rate} = \text{finance charge}$$

\* Unpaid Bal. Method

$$\text{Unpd bal} \times \text{rate} = \text{fin. charge}$$

↑  
prev. bal  
— payments

- ① Previous Bal method  
Unpaid Bal. method

10, 23, 45,  
7, 21, 38

- ②  $(\text{Prev Bal}) \times \text{rate}$   
 $(\text{Unpd Bal}) \times \text{rate}$

- ③ Average Daily Balance method

- ④ add up all daily balances  
& divide by # days  
\*CHART

~~4~~

⑤ look @ purchases / credits  
+ calculate what you owe

⑥ NO  
New purchases

<u>Dates</u>	<u>Bal</u>	<u>Total Days</u>	<u>Mult.</u>
1/1 - 1/9	95.67	9	861.03
1/10 - 1/21	35.67	12	428.04
1/22 - 1/28	10.67	7	74.69
1/29 - 1/31	0	3	0
TOTAL:		31	1363.76

$$\text{Avg Daily Bal} = \frac{1363.76}{31} = \$43.99$$

$$\text{Fin. charge: } 43.99 \times 0.055 \\ = \$2.42$$

$$\text{Previous Bal} = 95.67$$

$$\text{Purchases: } \$349.16$$

$$\text{Payments: } \$185.00$$

$$\text{New Bal: } 95.67 + 349.16 - 185 + 2.42 \\ = \$262.25$$

<u>Dates</u>	<u>Bal</u>	<u>Days</u>	<u>mult</u>
5/20 - 5/20	107.45	$\times 1$	107.45
5/21 - 6/13	57.45	$\times 24$	1378.80
6/14 - 6/19	12.45	$\times \underline{6}$	<u>74.70</u>
	TOTAL:	31	1560.95

Avg. Daily Bal:  $\frac{1560.95}{31} = \$50.35$

Fin. charge:  $50.35 \times 0.019 = \$0.96$

<u>Dates</u>	<u>Balance</u>	<u>total days</u>	<u>mult.</u>
4/10 - 4/11	220.34	2	= 440.68
4/12 - 4/21	194.57	10	= 1945.70
4/22 - 4/28	144.57	7	= 1011.99
4/29 - 5/6	44.57	8	= 356.56
5/7 - 5/10	34.57	4	= 138.28
Avg Daily Bal:	$\frac{3893.21}{31}$	31	<u>3893.21</u>

\$125.59

$$\text{Fin charge: } \$125.59 \times 0.057 = \$7.16$$

$$\text{Prev. Bal} = 220.34$$

$$\text{Purch/Adv} = 206.65$$

$$\text{Pay/Credit} = 185.77$$

$$\begin{array}{r} \text{New Bal} = 220.34 \\ + 206.65 \\ - 185.77 \\ + 7.16 \\ \hline \$248.38 \end{array}$$



<u>Dates</u>	<u>Bal</u>	<u>Total</u>	<u>Mult</u>
3/15 - 3/23	45.66	9	410.94
3/24 - 3/24	5.66	<u>1</u>	5.66
3/25 - 4/5	0	12	0
4/6 - 4/15	0	10	0
		<u>32</u>	<u>416.60</u>

Avg daily bal:

$$\frac{416.60}{32} = 13.02$$

Fin charge:

$$13.02 \times 0.102 = \$1.33$$

$$\text{Prev. Bal} = 45.66$$

$$\text{Purch/Adv} = 122.36$$

$$\text{Pay/Cred} = 75.13$$

$$\text{New Bal} = \boxed{\$94.22}$$

### ③ Dates

11/5 - 11/14	156.34	10	1563.40
11/15 - 11/20	81.34	6	488.04
11/21 - 12/3	31.34	13	407.42
12/4 - 12/5	0	2	0

Fin charge:

$$79.32 \times 0.0833 = 6.61$$

$$\begin{array}{r} 2458.86 \\ \hline 31 \\ \hline 79.32 \end{array}$$

Avg. Daily Bal:

79.32

④

<u>Dates</u>	<u>Bal</u>	<u>Days</u>	<u>Mult</u>
6/1 - 6/7	67.65	7	473.55
6/8 - <del>6/22</del> <sup>7/1</sup>	0	24	0
6/23 - <del>6/28</del> <sup>6/23</sup>	0	6	0
<del>6/24</del> 6/24 - 7/1	0	3	0
		<hr/> 31	<hr/> 473.55

Finance Charge:

$$15.28 \times 0.1225 = 1.87$$

\$276.62

$$\frac{473.55}{31} = 15.28 \quad \text{A.D.B.}$$